



A STUDY ON PRIVATE SECTOR PARTICIPATION IN HIGHER EDUCATION SECTOR IN INDIA

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ABSTRACT

Over the last decade, the higher education system in India has posted a commendable growth and has become one of the largest systems of higher education in world, with more than 20 million students enrolled in 700 universities and 35000 affiliated colleges. Such an achievement would not have been possible without the participation of private sector in higher education system. Historically, the public sector has dominated the Indian higher education, however it has not been able to provide access to a large population of student candidates into graduate education, as reflected by the Gross Enrolment Ratio (GER) in 2010, hovering at 13.8%. It was largely because of the emergence of private sector, that the student enrolment into higher education has got increased to 23.6% in 2015. The private sector could also be credited with the establishment of some globally-renowned institutions in India that have made use of state-of-the-art infrastructure to impart world-class education to Indian students. This research paper attempts to evaluate the influence and role of private sector participation into rising of higher education sector in India and its consequences there upon.

KEYWORDS: Higher education, Private sector participation, Indian higher education system, Private higher education, Private universities

Introduction

Traditionally the Indian higher education sector been controlled by the government. With the dawn of 21st century, this sector was opened to private players and a new trend of setting up of private universities under the State Private University Act by individuals and private trusts emerged in the country. The setting up of Manipal Institute in Bangalore marked the establishment of the first private university in the country. In 1995, though government of India introduced the Private Universities Establishment and Regulation Bill, 1995, it could not get passed in parliament. Thereafter some state governments took initiative of introducing Bills for establishing Private Universities under their jurisdiction. This trend replicated across the country since then and there has been a huge surge in number of private universities established across India. From mere 15 private universities in 2005, there are now 260 in February 2017. These private universities are regulated by the University Grants Commission (Establishment of and Maintenance of Standards in Private Universities) Regulations, 2003. During those years the private universities have been able to attract larger number of students by offering different job oriented courses and therefore their average growth rate has been moving far ahead from that of the government run universities in the country. However there is a need to examine whether the private universities are able to cope up the challenges faced by higher education system in India, like quality provisions, governance, facilities and job preparedness of students.

Discussion

Indian Higher Education: A Brief

In India, since ancient period, the higher education had been offered through Gurukuls which provided religious and esoteric education, particularly for the privileged sections of society. India was home to world's great educational institutions, like Nalanda, Taxila, Vikramshila etc. Largely, the education was focussed upon religion and the ways of living and livelihood of people. In modern times, with the Britishers coming to India the purpose of higher education transformed to catering to meet the administrative requirements of imperialist rule in India. Education drawn on Western context was introduced, which further became the basis of modern Indian higher education system. In 1857, the first three pioneer Presidency universities were established in at Bombay, Madras and Calcutta and were modeled after the London University. At the time of independence, India had got total 18 universities in 1947. Currently India has a total of 789 universities of different types, as shown in the table below:

Total No. of Universities in the Country as on 22.02.2017

Universities	Total No.
State Universities	359
Deemed to be Universities	123
Central Universities	47
Private Universities	260
Total	789

Source: <http://www.ugc.ac.in/oldpdf/alluniversity.pdf>

Over the last decade, higher education in India has gone through a steep growth path and it is now world's largest higher education system in terms of number of institutions.

Emergence of Private Sector in Higher Education

However, despite impressive growth, India's higher education Gross Enrolment Ratio (GER) has been quite well below the global average. The government of India plans to increase GER in higher education to 30 per cent by 2020. With the limited resources and constraints, the state run universities alone could never achieve such an ambitious target. Therefore, it had become imperative for the government to invite private players for setting up of higher educational institutions. In most markets, the private sector is characterised by a profit motive. However, when it comes to education, the private sector is required to operate on a not for profit basis. With large number of private universities got established during the previous decades, it helped in increasing the GER in country from 10% in 2000 to 13.8% in 2010, which further raised to 23.6% in 2015.

Private Sector Participation in Higher Education: Issues and Challenges

Currently 260 universities are privately managed across different states in India. There are two routes to establish a private university. Primarily, it may be set up through an Act of Parliament (central university) or an Act of a state legislature (state university). Till date, no private university has been set up through an Act of Parliament. States may differ in the land norms and other procedural steps required in setting up a private university.

Several issues currently exist in higher education with reference to the private players participation:

Profit motive and private players

Private providers are typically driven by a profit motive, but over the years the Supreme Court of India has interpreted the nature of educational institutions to be charitable and not for profit. Therefore, supernormal or illegal profits cannot be made by providing education. If a revenue surplus is generated it is to be used by the educational institution for the purpose of its expansion and education development.

Access and enrolment

Education for all has been an issue when it comes to higher education. Though GER in higher education has more than doubled over a period of 11 years, going from 9% in 2002-03 to 24% in 2013-14, it is still well below the global average. Therefore, to achieve the ambitious target of 30% GER, the private sector has to play a larger role in providing access to education.

Expected increase in demand for higher education

As enrolment in elementary education has been maximised in India, and enrolment and drop outs in secondary education are being addressed, the pool of students seeking higher education opportunities will increase over the next few years. Therefore, there will be a greater demand for university education. Since the government financing cannot be enough to support the massive expansion in the scale of higher education, the private sector expansion is a must for higher education.

Types of Disciplines

As per a report from UGC, the distribution of public and private institutions in India is skewed. This is because enrolment in public universities is largely concentrated in conventional disciplines (arts and sciences) whereas in private institutions, more students are enrolled in market-driven disciplines. Also it has been noted that while private investment is high in the emerging areas of engineering, medicine and management; majority of enrolment is still taking place in the traditional disciplines like arts, etc. Therefore private sector should not confine itself to the commercially viable sectors such as management, accountancy, medicine, etc.

Reservations

Reservation has been a burning and politically sensitive issue in India. However, with respect to reservation in private higher education institutions, the Supreme Court of India has stated that private unaided educational institutions have full autonomy in their administration. The Court has also stated that the principle of merit should not be sacrificed, i.e., students should be admitted on the basis of their academic capability or merit. The management of a private institution can exercise its discretion for quota in admitting students, subject to satisfying the test of merit based admissions.

Fee structure

Private higher education institutions are often accused of charging capitation fees (any amount in excess of fees charged for the course of study) from students, in turn making them unaffordable. Fee structures of private institutions may be one reason for inaccessibility of higher education. However, in 2002, the Supreme Court ruled that the fees charged by private unaided educational institutions, could be regulated. In 2003, the Court ruled that the fee structure in professional courses shall be approved by a committee in order to curb profiteering and charging of capitation fees. Post this judgment, some states such as Madhya Pradesh, Andhra Pradesh and Karnataka set up these committees.

Quality of Education

It has been observed that whenever the institutions are established by private players who run for profit motive the long term quality perspective in education subsides. Therefore it is important to improve the quality of higher education institutions along with quantitative expansion. Accreditation is a way of measuring such quality of institutions. It is the process of assessing the performance of institutions that volunteer to be accredited, on the basis of a few set parameters. In India, the National Assessment and Accreditation Council is an autonomous body established by UGC, which is responsible for quality testing in higher educational institutions.

Conclusion

The emerging participation of private players in higher education system in our country has on one hand opened the possibilities of achieving objectives of education for all in terms of higher gross enrolment ratio and on other hand it has created further challenges in terms of regulation. However, overall it can be said that private higher education is getting more competitive with a remarkable increase in the number of academic institutions in the country. Like other developing countries, the private universities in India too have contributed towards responding to the social demand for higher education by absorbing a substantial number of students who could not otherwise have received university degrees. Still, meeting the challenge of maintaining standardisation and quality measures of education across all institutions will only help to bear the fruits of private sector participation in Indian higher education system.

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